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A SAMPLE OF SECRET DIPLOMACY

by Felix Morley

The Department of State's compilation on "Nazi-Soviet Relations" reveals a sordid record of deceit and double-dealing, on both sides of the thin border between National Socialist and Communist ethics.

This story of pot and kettle indicts Stalin and Molotov of war criminality as black as that of any of their former Nazi buddies executed (with Soviet co-operation) at Nuremberg. To give that impression was presumably not the idea in making these captured German documents public at this particular time. But there is a good deal in this record which will eventually boomerang. There are likely to be consequences which the Administration has not foreseen.

These consequences are indicated, ironically enough, in one of the messages selected for this collection. It is a telegram, dated September 6, 1939, from Count von der Schulenburg, German Ambassador in Moscow, to his Foreign Office. The Nazi diplomat describes the somersaults forced upon Russian public opinion when Hitler and Stalin made their alliance. "The sudden alteration in the policy of the Soviet Government", says the Ambassador, "is still not very well understood by the population". However:

> ". . . the Soviet Government has always previously been able in a masterly fashion to influence the attitude of the population in the direction which it has desired, and it is not being sparing this time either of the necessary propaganda."

For the past ten years, at least, the American Government has also been extremely adroit in manipulating public opinion in this country. And it is certainly not "sparing the necessary propaganda" with respect to Russia, defined in the Charter of the United Nations as a "peace-loving State". Nevertheless, there is some reason to think that the American people are not fooled quite as completely as were the miserable Russians. At least there is still a little time for them to examine the road down which they are being led.

The latest, and one of the longest, downward steps on that road is being taken in the follow-up to the British Foreign Minister's speech in the House of Commons, on January 22.

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Mr. Bevin then announced the decision of the British Socialist Government to form a military alliance of the Western European nations against Soviet Russia. Mr. Bevin made clear that "we are not now proposing a form of political union", which many Americans would welcome as the only rational solution for Western Europe. What is in prospect and what Winston Churchill warmly approves, is a good old-fashioned fighting bloc. The nucleus is to be Great Britain, France and the "Benelux" countries -- Belguim, Netherlands, Luxemburg. But around this core it is hoped to group all of the sixteen "Marshall plan" nations, and as much of Germany as can be salvaged.

II

With almost indecent haste, the Truman Administration rushed in to acclaim the project of an anti-Soviet alliance. Less than 24 hours after Mr. Bevin spoke, the Department of State issued a proclamation saying that "the United States 'heartily welcomes' the portentous step taken by the British Labour Government". The Department was, as often, speaking out of turn. It is extremely doubtful that the United States as a whole really does "welcome" a development all too likely to lead to war with our recent Ally. But, since Roosevelt, it has become customary for the Administration to regard itself as "the United States".

The celerity with which the Department of State "heartily welcomed" the British demarche was informative in another respect. It strongly indicated that the Truman Administration had been consulted in advance about this alliance, and had approved it before Mr. Bevin spoke. Indeed, one must doubt whether this ambitious program would have been attempted by the British Government without assurances of American backing as to which the American people are uninformed.

The Department of State indorsed the Bevin announcement the day after it was made. The day before this announcement was chosen by the Department for publication of German documents relating to the Nazi-Soviet alliance. Those published to date are limited to the period from April 17, 1939, to June 22, 1941. The documents relating to the effort for a negotiated German-Russian peace are being held in reserve.

But the sample of secret diplomacy already disclosed is sufficient for the present purpose. That purpose is to support, at first with money and supplies alone, the formation of an anti-Russian bastion in Western Europe. For that purpose the Nazi documents so far made public are undeniably useful. They show beyond a shadow of doubt that Soviet Russia has objectives which are not yet satisfied, and they show further that the present rulers of Russia are absolutely without conscience or scruple about attaining their objectives.

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Honest American thinking, however, cannot stop at that convenient point. It is too painfully apparent that the United States is now about to turn on Russia in fashion which in Moscow may seem reminiscent of that followed by Hitler. In his announcement of the new anti-Comintern pact, Mr. Bevin regretted that the "compromise" reached at Yalta has not worked. It is something of a shock to notice that identical words were used by the Nazi Foreign Minister as the German armies invaded Russia. Von Ribbentrop, too, regretted that "the policy of compromise between the two countries has been unsuccessful".

III

A rude awakening as to the character and conduct of our own foreign policy is now inevitable. The American people will have to realize not merely that we are deeply embroiled in the type of power politics which inevitably leads to war; but also that we are playing power politics ineptly. Illustrations of this ineptitude abound. Here we shall only mention the single case of Spain.

The nation to which General Franco dictates will obviously have to be included in the anti-Russian alliance which Great Britain has begun to build, with State Department blessing and support. Spain is essential to this alliance, for its resources, its manpower and as a strategically important base. For some months our government propaganda agencies have been careful to say nothing offensive about Franco. But we had previously denounced him so roundly as a "Fascist beast" that it's going to be awkward to get in the same bed with the Caudillo now.

It is worthwhile to recall that on March 4, 1946, the Department of State released to the press a first, carefully selected, installment of those same German documents now made more completely available. The purpose of the selection made two years ago was not to excite the American people against Russia, but against Spain.

Therefore, the only documents published then were those which put Franco in the worst possible light. They included letters from Hitler and Mussolini to the Caudillo, urging him to get on the Nazi bandwagon. Naturally this careful selection gave the reader the impression that Spain was virtually an ally of the Axis.

But in the larger assortment of documents now made public there are several which show that the Nazis never really expected any important assistance from Franco. There is, for instance, a letter from Hitler to Mussolini, dated June 21, 1941, in which the Fuehrer says:

> "Spain is irresolute and -- I am afraid -- will take sides only when the outcome of the war is decided."

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In common decency that letter should also have been published two years ago, along with the material then selected for the sole purpose of smearing Franco. But that would not have suited our weathercock foreign policy, as it was then veering.

IV

Some of the mess which our Government has made of its international relations results from the plain stupidiy of ungifted amateurs. But some of it is the result of demonstrable deception, and should be exposed as such. In particular, the new aspect of the so-called European Recovery Program must be appreciated, while the issue is still pending before the representatives of the people, in Congress.

With the decision to build a Western European military alliance against Russia, ERP ceases to be primarily a program for economic recovery. At least in part, it becomes a method of financing this alliance, but without honorable admission of this purpose.

It is not difficult to substantiate this assertion. ERP is based on the report of the sixteen-nation Committee of European Economic Co-operation, made public on September 23, 1947. Even to the amount of the initial appropriation asked, ERP closely follows that report.

But the report freely admits (Section 119) that: "A substantial and steady resumption of eastern European food, feeding stuffs and timber supplies is assumed in this report." And it says further:

> "Even on favorable assumptions about the availability of supplies in the East, progress is bound to be slow and the abnormal dependence upon the American Continent will remain."

In other words, without Russian co-operation ERP holds little promise of being more than stop-gap aid. And even before the program is approved, the Administration "heartily welcomes" a political move which can only intensify the Russian opposition. Seemingly it is the military significance of ERP which makes the Administration press for unsupervised control over its operation.

As the diplomatic picture is developing, it is absolutely vital that this blank check should not be turned over to the Department of State. But more is needed than the essential precaution of removing the oversight of ERP from the hands of those who are in position to plunge the country into war. If the Administration's foreign policy is not made the biggest issue of the coming Presidential campaign, then the American people will show themselves unable to recognize an issue which affects their lives, their fortunes, and their sacred honor.

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Not Merely Gossip *A Supplement to* Human Events VOL. V, NO. 4

By Frank C. Hanighen January 28, 1948

There lingers some doubt that Eisenhower has removed himself irrevocably from the political picture this year. It is evident, of course, that his statement has eliminated him from the race for the nomination in coming months. But some who know the General still believe that he would take the nomination if the GOP Convention sought to draft him. Indeed, it is claimed that this possibility was not excluded from the General's thinking at the time when he made his decision.

Be that as it may. For the present, his withdrawal is believed to have helped Dewey's chances. The New York Governor needs help, indeed. Although he leads the GOP field, he has lost much strength in recent months. Professional politicos say that Dewey has little left on the Pacific Coast, with the exception of a few delegates in the state of Washington. He also has some in Idaho. But from Idaho eastward, one must jump to Missouri, where Barak Mattingly, GOP National Committeeman, is on record for the New York Governor. However, there is talk that Mattingly will be elbowed out of the picture. Meanwhile, a survey shows little backing for Dewey in Iowa, Nebraska, Minnesota, the Dakotas, Illinois, Indiana, Ohio, Pennsylvania, Connecticut and Massachusetts.

Dewey, of course, will have New York's 97 delegates -- a formidable bloc. But it is recalled that he started in 1940 with 360 delegates and did not rise above that. By the fourth ballot, Dewey's strength fell to 250, whereas Taft, who had started with 189, gained until he had 254. As of today, Dewey does not appear to command more than 250. Albany is not blind to this situation, and a new drive by Dewey partisans is in the cards.

It will be surprising, however, if the drive is marked by any clashes with Taft supporters. It is reported that a modus vivendi was reached some weeks ago between Dewey and Taft. At a private dinner, the two men agreed not to attack each other in their campaigning for the nomination, at least until April. The agreement, of course, does not prevent them from entering primaries against each other.

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Norman Thomas enlivened an otherwise dull hearing of the Senate Foreign Relations Committee by chiding General Wallace H. Graham, White House physician, for speculating in commodities. Thomas referred contemptuously to Graham's "naive faith that profits on the commodity exchange are something the stork brings to innocent doctors".

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Senator Taft, in his speech at Providence, Rhode Island, on January 16, came forward as the first Presidential candidate to oppose Universal Military Training. His criticism of UMT is all the more compelling because he gives good technical military reasons for opposing it and because he takes a constructive line by backing the Air Corps report. It is believed that the Senator has recently benefited by advice from regular army officers, and that he will later expand these ideas in a more detailed form. At Providence he said: "As advocated in its present form it (UMT) is neither desirable nor advisable as a means of training our men efficiently for modern warfare. It is not the best method of getting reserves, nor does it provide the kind of reserves we might need.

"UMT would provide some ten or twelve million partially trained men for mass movement, most unlikely to occur in any war we can foresee. We certainly do not need any such number of men for defense against sudden attack. If it should

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become necessary to send a mass army abroad, it would take two years to provide the new weapons and methods of transport for any such army. During that time, additional men could be trained, and trained in the methods of the war they are to fight instead of the war of 1944. I believe we want a smaller reserve on a volunteer basis, highly trained to carry on the technical activities so necessary in modern war and paid for the time they have to spend. In spite of the propaganda for UMT an astonishing number of the best officers in all of the services do not believe in compulsory military training. Because of the Administration policy and propaganda, they naturally remain silent."

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Last summer, this column pointed out the disagreement about business prospects between Government and private industry economists. At that time, these Government New Dealers expressed confidence in the continuance of the boom; while private industry had grave forebodings about a recession. Today the same alignment persists, except that a number of private observers have swollen the ranks of their pessimistic colleagues. It may be fairly assumed that the latter have little or no political bias in their judgment. As for the Government experts, experience has shown that too often their gaze has been affected by political considerations. That may well be so today, for the bureaucrats have every reason to desire a Truman victory next fall.

Pure and unalloyed or not, this is their case. No real recession -- although possibly a slight, hardly noticeable one -- is anticipated for this year. There may be an average of two and three-quarter millions of unemployed during the last quarter of the year. But this figure would be less than a million more than present normal unemployment. Admittedly, consumer buying may diminish because of price increases. But it is believed that consumer resistance would prove brief. So great is the consumer demand, that consumers would come back into the market readily after small price drops; they would not wait for rock-bottom prices. Little account in this analysis is taken of the specter which haunts private economists -- the possible wide repercussions, "snowballing", of credit contraction.

* * * * *

Discussion of Government financial policy cannot be ignored. The fall of Marriner Eccles focuses attention on credit contraction and the rise of interest rates. Our Single-taxer friend, Frank Chodorov, who edits the interesting monthly analysis, writes us the following comment on interest rates and the falling bond market: "Federal bonds do not pay interest, they pay taxes. The holder is a tax-collector, for the only source of the returns is the ability of the government to levy. Real interest comes out of the increase of production due to the use of capital in production.

"Now, the rising rate of interest results from the demand for capital for production. It is not always a bad sign when interest rates go up. That means factories, machinery, enterprise. The government cannot fix the rate of interest. It can only fix the rate of tax-participation. During the war, real production was at a standstill. There was no demand for capital. The government absorbed the capital accumulated and gave the owners a lien on its taxing powers. Capital now has real customers. The government has to compete with production. It finds now that its 'fixed interest rate' is not fixed at all. The only way for it to continue the fiction is to stifle industry, to force capital to become a partner with government, not a factor in production. Russia has done that and therefore can keep up the fiction within the country. But, Russia produces very inadequately.

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"If the flow of capital into industry is not impeded, the bottom will drop out of the Federal bond market. That will weaken the government's credit, just when it is preparing, thanks to the Marshall plan, to put out new issues. Unless it undertakes to stifle production, so as to channel capital into its own coffers, it will have to meet competition and raise its rates. Its low-rate bonds will have to be called in and replaced with new ones meeting the market price."

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The "Now It Can Be Told" season is in full swing. A former military intelligence officer in the course of a lecture at the Army War College last week, made a statement which provoked much discussion. He said that five days before the evacuation of Dunkirk in 1940, Hitler ordered his troops to restrain their attacks on the British Army; to throttle down heavy artillery and Luftwaffe missions. The German generals were very much upset because they felt their forces were sufficient to destroy the British forces or cause their surrender. The Hitler orders were accompanied by a memorandum explaining his reason for the unexpected restraining order. Hitler said that he wished to spare the British Army in order to pave the way for an amicably arranged separate peace.

The lecturer's statement drew immediate criticism and protests from British officers in the audience, but he did not withdraw or modify what he had said. American officers who had been observers with the German Army in that campaign expressed great interest. They said that the alleged Hitler order served to explain why a hitherto unexplained pause in German operations took place just before the Dunkirk evacuation.

Much discussion followed the lecture at the College. Some doubted the accuracy of the story, for they could see no logic in Hitler's purported reasoning. A complete defeat or capture of the British Army, they said, would have rendered a separate peace inevitable. Others, however, interpreted Hitler's action in the light of his long-standing desire for a friendly agreement with Britain; as evidenced in his Mein Kampf, and by other diplomatic moves and attitudes. One former military attache (stationed in Berlin in the middle thirties), recalled the German press treatment of the abdication crisis in 1936. Goebbels told this officer the following story: Hitler had given orders that the German press should play down the whole matter in deference to British susceptibilities. The tone of the press indicated that Goebbels had carried out orders.

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There is a prominent Zionist leader in Palestine named Moshe Shertok. A few weeks ago he complained because Zionist policy in Palestine slighted Soviet Russia and placed too much reliance on the Western democracies. He should consult Nazi-Soviet Relations, 1939-41, published by the Department of State (for sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Price, $1.00). On page 128, he would find some food for thought in an interesting German memorandum.

In December, 1940, Germany was engaged in driving Polish Jews across the boundary between German-occupied Poland and Russian-occupied Poland. According to the myth propagated so widely by fellow-travellers (some of them Jews), the Russian Government should have welcomed these wretched people, given them shelter and arranged for their proper resettlement in Russia. Did Russia do it? The German memorandum describes the Russian role: "The procedure was, for example, that at a quiet place in the woods, a thousand Jews were expelled [by the Germans] across the Russian border; 15 kilometers away, they came back, with the Russian commander trying to force the German one to readmit the group."

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Book Events

Religion and the Rise of Capitalism: A Historical Study, by R. H. Tawney. New York: Penguin Books, Inc., 25 cents. Reviewed by J. M. Lalley.

The appearance of Professor Tawney's celebrated work in this crude but legible chapbook edition, destined no doubt to be sold to tens or even hundreds of thousands of American readers, is testimony that in something less than a generation it has become established as a classic. It is also evidence of a profound alteration in our notion of the relative importance of metaphysical concepts. Twenty-two years ago it was still fashionable to deny to ideas, as such, any role whatever in determining the course of history.

To be sure, the relationship of ideas and events is still one of the unanswered problems in the philosophy of history. Professor Tawney's work, which appears to have been conceived as a kind of commentary on an earlier work by the German economist Max Weber called The Protestant Ethic and the Spirit of Capitalism, takes a position intermediate between those who ascribe a determining influence to ideas and those who dismiss them as mere post facto rationalizations of historical change. Weber held that without the Reformation generally, and the Calvinist Reformation in particular, conditions favorable to the development of capitalism could never have arisen; but to Professor Tawney the problem is more complex. Capitalism, as he observes, had been flourishing in Florence, Venice, Genoa, Flanders and other places where the Reformation never took root. In England the enclosures of common land and the evictions of peasants had been proceeding for nearly a century before the Reformation, and among those who had practiced it were some of the monastic orders. Again, the bitterest protests against such impious practices as money lending and land enclosures had come from early Reformers like Latimer and were later renewed with even greater vehemence by Hooker and Laud. Luther went further than any Schoolman or Roman canonist in his condemnation of usury, and although Calvin approved the taking of moderate interest, nothing was further from the notions of the earlier Calvinists than to permit unrestrained freedom in economic enterprise. Indeed the concepts of economic morality held by Puritan divines like Richard Baxter or Puritan publicists like Bunyan are virtually indistinguishable from those expounded three centuries earlier by St. Thomas Aquinas.

But it is also true, as Professor Tawney found, that the Lutheran doctrine of justification by faith served in the end to "empty religion of its social content", by divorcing it from the world of business and politics; that in England the confiscation of the monastic estates produced a wild epidemic of land speculation which accelerated the work of evictions and enclosures; that the Calvinist doctrine of grace by election served to sanctify the self-interest of the rising middle classes; and that the Calvinist emphasis on personal character favored the growth of the principle of individualism. In short Puritanism, after successive modifications, afforded an altogether comfortable psychological garment for the age of great comercial expansion which had been opened by the discovery of the New World. And those who wore it could dismiss the need of doing anything about the problem of wholesale poverty among the dispossessed classes by ascribing it to idleness and vice.

To keep the balance straight, Professor Tawney also puts emphasis on the Puritan contributions to political liberty which grew out of the struggles with the monarchy and the Establishment and out of the insistence on the principle, afterwards formulated by Locke, that the rights of person and property are anterior to those of the State. But, then, as Acton observed, nothing is more embarrassing than the pedigree of ideas; and it would probably have shocked the theorists of the English Revolution to hear that their concepts of political freedom were traceable to Dominicans like Vittoria and to Jesuits like Mariana.

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